

## PROPOSED RULE MAKING (RCW 34.05.320)

|    | CR- | 102   | (7/2 | 22/01) | )     |
|----|-----|-------|------|--------|-------|
| Do | NOT | use   | for  | expec  | lited |
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| 1889 1   |  |  | rule making  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| Agency: Public Disclosure Commission   |  |  | Original Notice  |  |  |  |  |  |  |
| Preproposal Statement of Inquiry was file  | ed as WSR 02-15-170 : or   | Supplemental Notice  |  |  |  |  |  |  |  |
| Expedited Rule Making Proposed notice  | to WSR <u>03-01-089</u>  |  |  |  |  |  |  |  |  |
| Proposal is exempt under RCW 34.05.3   | ,  | Continuance of WSR   |  |  |  |  |  |  |  |
| (a) Title of rule: (Describe Subject) Title 390 WAC – Rule relating to notifying employees regarding voluntary payroll deductions.   |  |  |  |  |  |  |  |  |  |
| (a) the office of the office o |  |  |  |  |  |  |  |  |  |
| Purpose: To clarify statutory requirements under RCW 42.17.680.  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |
| Other identifying information: New rule WAC 390-17-110 Notifying employees regarding voluntary payroll deductions.   |  |  |  |  |  |  |  |  |  |
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| (b) Statutory authority for adoption: RCW 42   |  |  | Statute being implemented: RCW 42.17.680   |  |  |  |  |  |  |
| (c) Summary: Chapter 156, Laws of 2002, requires annual notification of employees from whom wages or salary are withheld. Annual   |  |  |  |  |  |  |  |  |  |
| notification must include the non-discriminatory provision of RCW 42.17.680(2) and a notification about the right to revoke the authorization for payroll deductions at any time (RCW 42.17.680(3)). The proposed new rule clarifies who sends the notifications of  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| nondiscrimination and revocation to employees, examples of what constitutes written notification, and retention of records.  |  |  |  |  |  |  |  |  |  |
| Reasons supporting proposal: The propo   |  |  |  |  |  |  |  |  |  |
| guidance to those entities required to not   | rify employees who have auth   | horized payroll withhold   | ling or diversion of wages for political   |  |  |  |  |  |  |
| contributions.   |  | -  |  |  |  |  |  |  |  |
| (d) Name of Agency Personnel Responsible   |  |  | Telephone  |  |  |  |  |  |  |
| 1. Drafting Doug Ellis   |  | itol Way, Rm 206, Olympia  |  |  |  |  |  |  |  |
| Implementation Doug Ellis     Enforcement Phil Stutzman  |  |  |  |  |  |  |  |  |  |
| 3. Enforcement Phil Stutzman PDC 711 /Capitol Way, Rm 206, Olympia (360) 664-8853  (e) Name of proponent (person or organization): Public Disclosure Commission Private  |  |  |  |  |  |  |  |  |  |
| (e) Name of proportion (person of organization   | (e) Name of proported (person of organization). Facility discreasing Commission Public |  |  |  |  |  |  |  |  |
|  |  |  | ⊠ Governmental   |  |  |  |  |  |  |
| (f) Agency comments or recommendations,  | , if any, as to statutory langua   | age, implementation, en  | forcement and fiscal matters:  |  |  |  |  |  |  |
| None   |  |  |  |  |  |  |  |  |  |
| (g) Is rule necessary because of:  | ∇7 N K   | - ATTACH CODY OF T   | TEVT   |  |  |  |  |  |  |
| Federal Law? Ye Federal Court Decision? Ye   |  | es, ATTACH COPY OF 1   | EXI  |  |  |  |  |  |  |
| State Court Decision?  | K***   | idon.  |  |  |  |  |  |  |  |
| (h) HEARING LOCATION:  | <u> </u>   | Submit written comme   | ante to:   |  |  |  |  |  |  |
| Commission Heari   | ng Room  | Submit written comments to: Doug Ellis (dellis@pdc.wa.gov)           |  |  |  |  |  |  |  |
| Evergreen Plaza B  |  | Public Disclosure Commission   |  |  |  |  |  |  |  |
| 711 Capitol Way, l   | Room 206   | PO Box 40908   |  |  |  |  |  |  |  |
| Olympia, WA  |  | Olympia WA 98504-0908<br>FAX (360) 753-1112 By (date) March 21, 2003 |  |  |  |  |  |  |  |
| •  |  | 1700 (300) 755-1112 by (date) March 21, 2003                         |  |  |  |  |  |  |  |
| Date: March 25, 2003 Time: 9:00 a.m.   |  | DATE OF INTENDED ADOPTION: March 25, 2003                            |  |  |  |  |  |  |  |
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| Rumann Bryant by Telephone   | •  |  |  |  |  |  |  |  |  |
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| (j) Short explanation of rule, its purpose, and anticipated effects:  The proposed new rule provides guidance to employers, political committees and candidates on the annual notification provisions requires to persons that have a portion of wages or salary withheld for the purpose of making one or more contributions to a candidate or a political committee. |
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| The proposed new rule provides direction and clarification to employers, labor organizations, employees and the general public on statuto provisions of RCW 42.17.680.   |
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| Does proposal change existing rules?   YES   NO   If yes, describe changes:  |
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| (k) Has a small business economic impact statement been prepared under chapter 19.85 RCW?  |
| Yes. Attach copy of small business economic impact statement.  A copy of the statement may be obtained by writing to:  |
| telephoning: ( ) faxing: ( )   |
| No. Explain why no statement was prepared     The implementation of this rule has minimal impact small businesses.   |
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| (I) Does RCW 34.05.328 apply to this rule adoption?  Yes  No Please explain: The PDC is not an agency listed in subsection (5)(a)(i) of section 201. Further, the PDC does not voluntarily make section 201 applicable   |
| to this rule adoption pursuant to subsection (5)(a)(ii) of section 201, and to date JARRC has not made section 201 applicable to this rule adoption.   |

## NEW SECTION

WAC 390-17-110 Employee notification of withholding provisions. (1) (a) By June 30, 2003, and at least annually by June 30 thereafter, employees from whom funds are being withheld for contributions to a candidate or political committee under RCW 42.17.680 shall be notified, in writing, of the nondiscriminatory provisions of RCW 42.17.680(2). Employee notification shall include the following language:

"No employer or labor organization may discriminate against an officer or employee in the terms or conditions of employment for:

- (i) The failure to contribute to;
- (ii) The failure in any way to support or oppose; or
- (iii) In any way supporting or opposing a candidate, ballot proposition, political party, or political committee."
- (b) The written notification shall be provided by the employer or labor organization. The employer or labor organization may agree on which entity shall send the notification.
- (2) (a) Pursuant to RCW 42.17.680(3), by June 30, 2003, and at least annually by June 30 thereafter, each employer or other person or entity responsible for the disbursement of funds in payment of wages or salaries shall ensure written notification is directly provided to the employees from whom funds are being withheld for contributions to a candidate or political committee stating that the employee authorization for withholding of wages or salary for such contributions may be revoked at any time. The authorization withholding form is described in WAC 390-17-100.
- (b) The written notification shall identify where an employee can submit the revocation, which shall be either:
  - (i) The name and address of employer's contact; or
- (ii) The name and address of the person or entity responsible for the disbursement of funds in payment of wages or salaries.
  - (c) The employee withholding authorization is revoked as of:
  - (i) The date specified in the revocation; or
- (ii) If no date is specified, as of the date the written notification is received by the employer or other person or entity responsible for the disbursement of funds in payment of wages or salaries pursuant to RCW 42.17.680.
- (3) "Written notification" means notice provided by mail, email, newsletter, payroll insert or other similar direct communication in writing that is addressed to the employee. Posting information on websites, bulletin boards and other passive communication vehicles shall not constitute notification under RCW 42.17.680. If the written notification appears in a newsletter or similar publication, the notice shall be prominently displayed or announced on the first page of the written communication.
  - (4) Each employer or other person who provides notice pursuant

to subsection (1) or (2) of this section shall maintain a copy of the annual notification and a listing of employees notified for a period of no less than five years.